

**DBE GOAL METHODOLOGY**  
**49 CFR PART 26**  
**TROY MUNICIPAL AIRPORT**  
**TROY, ALABAMA**  
**FISCAL YEAR 2016**

A. UPDATE OF GOALS - To make the program as useful as possible to the public, The City of Troy, Troy, Alabama will update the "amount," "method," and "breakout" portions of this section of the program annually, or as required. The following sections will be submitted to the FAA every year for approval: Amount of Overall goal section, Method used for establishing overall goals, Process, the race-neutral/race conscious breakout, and contract goals. The material on overall goals in the DBE program will be a shorter summary of the material submitted annually, or as required, in the overall goal submission.

B. AMOUNT OF GOAL -The City of Troy's overall goal for FY 2016 is 9.78% of the Federal financial assistance we will expend in FAA-assisted contracts. We expect to let projects during this FY in the amount of \$444,175.00 this means that our DBE goal is set at \$43,440.00 for this Fiscal Year. This overall goal is intended for information of public users of the program, and does not imply that the FAA, as such, has approved the goal.

C. METHOD STEP 1: In the development of the DBE goal for the Troy Municipal Airport the first step was to establish the availability of ready, willing and able DBE businesses that were capable of participating in the type of contracts that were programmed during FY 2016. The total grant that is anticipated at the Troy Municipal Airport is \$444,175.00 and includes Airfield Drainage Rehabilitation and the Professional Effort associated with such a project. An analysis of the project indicates that funds will be expended in the following areas:

<b>TROY MUNICIPAL AIRPORT PROJECT ANALYSIS FY 2016</b>			
<b>TASK</b>	<b>NAICS</b>	<b>AMOUNT</b>	<b>PERCENTAGE</b>
General Contractors	236220	\$165,025	37.15%
Water & Sewer	237110	\$44,800	10.09%
Site Prep	238910	\$12,000	2.70%
Trucking	484110	\$30,000	6.75%
Engineering	541330	\$87,300	19.65%
Planning	541611	\$2,700	0.61%
Landscape	561730	\$102,350	23.05%
<b>TOTAL</b>		<b>\$444,175</b>	<b>100.00%</b>

The formula to be used to calculate the Base Figure for the DBE goal is as follows:

$$\frac{\text{Total DBE Firms in the State by NAICS Code of Work to be Performed}}{\text{Total Firms in the State by NAICS Code of Work to be Performed}} \times 100 = \text{Base Figure}$$

A search was initiated for a Directory that would identify firms to accomplish these tasks. Alabama State University, the Small Business Administration and the Chamber of Commerce DBE Incubator were contacted. It was generally agreed that the most comprehensive directory for DBE firms in Alabama was the DBE Directory that has been established by the Alabama Department of Transportation. This directory contains DBE firms that have been certified in accordance with the requirements for 49 CFR Part 26. The current DBE Directory dated June, 2016 contains the names of 623 DBE certified firms that are located both in and out of the State of Alabama. Past experience indicated that a majority (over 80%) of the bidders on FAA projects in Alabama came from the State of Alabama and because of this the universe to be used to establish a Base Figure will be limited to the State of Alabama. A total of 313 out of state firms were eliminated from consideration. This reduced the number of considered firms to a total of 310. The list was refined by identifying those firms that could participate in the project by matching the specific trade and description of construction/professional effort with their appropriate NAICS. The resulting number will be used as the numerator in determining the Base Figure.

The next step in establishing the Base Figure was to determine our denominator. This was accomplished through the use of the Census Bureau's County Business Pattern (CBCBP) and the identification of the NAICSs that were the same as those identified from the Directory. With these figures in hand we compute our Base Figure using the following mathematics:

$$\frac{\text{Base}}{\text{Figure}} = .3715 \left( \frac{\text{ANAICS236220}}{\text{NAICS236220}} \right) + .1009 \left( \frac{\text{ANAICS237110}}{\text{NAICS237110}} \right) + .0270 \left( \frac{\text{ANAICS238910}}{\text{NAICS238910}} \right) + .0675 \left( \frac{\text{ANAICS484110}}{\text{NAICS484110}} \right) + .1965 \left( \frac{\text{ANAICS541330}}{\text{NAICS541330}} \right) + .0061 \left( \frac{\text{ANAICS541611}}{\text{NAICS541611}} \right) + .2305 \left( \frac{\text{ANAICS561730}}{\text{NAICS561730}} \right)$$

ANAICS- Alabama DBE Directory NAICS

NAICS – Census Bureau's County Business Pattern (CBCBP) Data Base

$$\frac{\text{Base}}{\text{Figure}} = .3715 \left( \frac{13}{350} \right) + .1009 \left( \frac{19}{135} \right) + .0270 \left( \frac{48}{457} \right) + .0675 \left( \frac{31}{187} \right) + .1965 \left( \frac{17}{859} \right) + .0061 \left( \frac{14}{513} \right) + .2305 \left( \frac{34}{328} \right)$$

$$\frac{\text{Base}}{\text{Figure}} = \frac{.0138 + .0142 + .0028 + .0112 + .0039 + .0002 + .0239}{.0112 + .0039 + .0002 + .0239}$$

$$\frac{\text{Base}}{\text{Figure}} = 7.00\%$$

STEP 2: With the Base Figure established our next step was to more finely tailor this figure to reflect conditions which have occurred at the Troy Municipal Airport. Currently there are no

known disparity studies completed in this area of the State of Alabama. The Alabama Department of Insurance and the Central Alabama Contractors Association were contacted and it was determined that there were no reported incidents of discrimination that have occurred in getting insurance, bonding, etc. for DBEs. The City of Troy has considered the suggested options outlined in 49 CFR Part 26 and determined that past performance is the information available to determine if an adjustment to our Base Figure is warranted. It was felt that a sampling of like type projects that have taken place in Alabama would be appropriate for use in determining if an adjustment was required to the Base Figure. To this end, we investigated four other airports with like type projects. Listed below are the projects that were included for analysis. As you will note, each of these projects is of a similar nature as the project that is being anticipated in the 2016 time frame at the Troy Municipal Airport:

<b>TROY MUNICIPAL AIRPORT LIKE TYPE FAA PROJECTS 1995-2004</b>				
<b>YEAR</b>	<b>LOCATION</b>	<b>PROJECT EXPENSES</b>	<b>PROJECT TYPE</b>	<b>% OF DBE PARTICIPATION</b>
1995	Madison Co.	\$724,055	Drainage	12.55% *
2002	Troy	\$572,677	Drainage	13.76%
2003	Talladega	\$600,000	Site Prep	11.00%
2003	Fairhope	\$1,666,885	Drainage	14.85%
2004	Cullman	\$275,836	Site Prep	11.29%
<b>MEDIAN *</b>				

The next step was to determine if any adjustment might be needed to the Base Figure. It was determined that the Median of the five projects was 12.55% and it was felt that the Base Figure should be adjusted to cater for this variance.

A summary of this analysis yields the following:

MEDIAN PERCENTAGE	12.55%
BASE FIGURE	+ <u>7.00%</u>
	19.55% ÷ 2 = 9.78%

Satisfied that the Median Percentage was valid, the final step in the comparison was the development of a simple average of the Base Figure and the Median Percentage to establish a final percentage. The result of this was 9.78%. It was felt that the Base Figure of 7.00% should be adjusted for this variance. The Average Percentage of 9.78% is established as the goal for DBE participation at the Troy Municipal Airport for FY 2016.

D. PROCESS - The City of Troy submits its overall goal for FY 2016 to the FAA in June, 2016, for their consideration and approval. Before establishing the overall goal each year, the City has personally consulted with the Human Resources Division of the Alabama Department of Transportation, and the Office of Minority Business Development to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, and the effects of

discrimination on opportunities for DBEs. The City's efforts are to establish a level playing field for the participation of DBEs. Following this consultation, The City has published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the City's principal office for 30 days following the date of the notice, and informing the public that the City and FAA will accept comments on the goals for 30 days from the date of the notice. This information was published on the City of Troy website and made available to the Office of Minority Business Development at the State of Alabama. Normally, the City will issue this notice by June 1 of each year. The notice will include the City's addresses to which comments may be sent. The overall goal submission to the FAA will include a summary of information and comments received during this public participation process and the City's responses. This information has been published on the City of Troy website, and made available to the UAB DBE Supportive Services at the State of Alabama. We will begin using our overall goal on October 1 of each year, unless we have received other instructions from DOT (or if the goal is established on a project basis, by the time of the first solicitation for a DOT-assisted contract for the project). Consultation discussions were held with the following agencies and persons:

<b>CITY OF TROY AGENCIES/PERSONS CONSULTED WITH</b>	
Agency/Organization	Discussion/Information
UAB DBE Supportive Services Ms. Cynthia Matlock	Availabilities of DBEs, Directories, small and DBE contracting experience in the local market
City of Troy – Ms. Melissa Sanders	Availabilities of DBEs, Directories, small and DBE contracting experience in the local market
Alabama DBE Contractors Association, Inc. Ms. Taffy Pippin	Availabilities of DBEs, Directories, small and DBE contracting experience in the local market

Public comments have been requested for the FY 2016 goal and the 30 day comment period is underway. Any comments received from the public advertisement or the other coordination will be evaluated and necessary changes will be made to the goal and included in the contract documents for the project.

**E. RACE CONSCIOUS AND RACE NEUTRAL GOALS:** The City of Troy will make every feasible effort to meet its goal through race-neutral means. Each time The City of Troy submits an overall goal for review by the FAA, the City will also submit a projection of the portion of the goal that is expected to be met through race-neutral means and the basis for that projection. This projection is subject to approval by the FAA, in conjunction with its review of the City's overall goal. The City will establish contract goals to meet any portion of an overall goal when the City does not project being able to meet using race-neutral means.

We estimate that, in meeting our overall goal of 9.78%, that 9.16% of the goal will be attained from race-conscious participation and 0.62% via race-neutral participation measures. This is an attainable goal based on the history of DBE participation in prior projects and the availability of current DBE contractors.

This breakout was established by computing the median of the variance of the level of DBE participation vs. DBE goal on the five projects considered in Step 2 (see page 3) of the overall goal participation computation. The Median Percentage was 0.62% and we felt it is an attainable goal for race-conscious participation. The following is the level of variance in each of the projects:

<b>PROJECT DBE GOAL VARIANCE</b> <b>TROY MUNICIPAL AIRPORT</b> <b>PREVIOUS FAA PROJECTS</b>					
YEAR	LOCATION	TYPE PROJECT	DBE GOAL	% OF DBE PARTICIPATION	VARIANCE
1995	Madison	Drainage	12.50%	12.55%	0.05%
2002	Troy	Drainage	13.25%	13.76%	0.51%
2003	Talladega	Site Prep	10.38%	11.00%	0.62%*
2003	Fairhope	Drainage	13.85%	14.85%	1.00%
2004	Cullman	Site Prep	10.12%	11.29%	1.17%
* MEDIAN VARIANCE					

#### F. CONTRACT GOALS

The City of Troy will use contract goals to meet any portion of the overall goal that the City does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means. The contract goal established for this period is 9.78%.

#### References:

*Alabama UCP List of Certified DBE Firms, June 2016*

*2014 – U.S. Census Bureau, June 2016*